

## Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 05202 01 OF 02 050216 Z

61/

ACTION EB-11

INFO OCT-01 AF-10 ARA-11 EUR-25 EA-11 ADP-00 GSA-01 OEP-01

CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03 NSAE-00 NSC-10

PA-03 RSC-01 PRS-01 SS-15 USIA-12 COME-00 TRSE-00

RSR-01 SSO-00 INT-08 /146 W  
----- 112785

P R 041657 Z MAY 73  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC PRIORITY 947  
INFO AMEMBASSY BANGKOK  
AMEMBASSY CANBERRA  
AMEMBASSY JAKARTA  
AMEMBASSY KINSHASA  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY LAGOS  
AMEMBASSY LA PAZ

LIMITED OFFICIAL USE SECTION 1 OF 2 LONDON 5202

C O R R E C T E D C O P Y - LAST PARA EIGHTH LINE

E. O. 11652: N/ A  
TAGS: AORG, EMIN  
SUBJECT: TIN: COMMUNICATION FROM ITC ON STOCKPILE  
DISPOSALS

REF: STATE 79588

1. SUMMARY - ITC HAS PREPARED LETTER WHICH IN ESSENCE  
RESTATES IN ARGUMENTATIVE WAY ITC CASE AND ASKS WHAT  
USG CURRENT THINKING IS ON AMOUNT OF TIN TO BE DIS-  
POSED DURING REMAINDER OF CURRENT FISCAL YEAR AND  
DURING FORTHCOMING YEAR ( FY-73). ITC  
CHAIRMAN ALSO ADVISES THAT COUNCIL PREPARED SEND SMALL  
GROUP TO WASHINGTON TO CONTINUE DISCUSSIONS ON STOCK-  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 05202 01 OF 02 050216 Z

PILE DISPOSALS. END SUMMARY

2. ALLEN HAS ASKED THAT WE TRANSMIT TEXT OF FOLLOWING  
LETTER, ADDRESSED TO DEPUTY ASSISTANT SECRETARY JULIUS

KATZ, ASAP.

LETTER IN FULL READS AS FOLLOWS: QUOTE:

I REFER TO THE CONSULTATIONS BETWEEN THE UNITED  
STATES AND THE INTERNATIONAL TIN COUNCIL THAT TOOK  
PLACE FROM 19 TO 24 APRIL 1973 IN WASHINGTON.

THE COUNCIL'S WORKING PARTY ON UNITED STATES  
STOCKPILE TIN DISPOSALS, WHICH WAS SET UP AT THE EIGHTH  
SESSION OF THE COUNCIL IN MARCH 1973 AND WHICH COMPRISES  
ALL MEMBER GOVERNMENTS OF THE COUNCIL, MET TODAY AND  
RECEIVED THE REPORT OF THE COUNCIL'S DELEGATION TO  
WASHINGTON. THE WORKING PARTY HAS ASKED ME TO CONVEY TO  
YOU THE FOLLOWING ON BEHALF OF THE COUNCIL.

I HAVE BEEN ASKED TO REITERATE THE COUNCIL'S  
VIEW, AS STATED IN MY LETTER OF 27 MARCH 1973 TO THE  
SECRETARY OF STATE, THAT FOR THE UNITED STATES TO  
RESUME COMMERCIAL SALES OF TIN IN THE PRESENT CIRCUM-  
STANCES COULD DISRUPT THE MARKET. THE COUNCIL'S DELE-  
GATION EXPLAINED, DURING THE COURSE OF THE CONSULTATIONS,  
THE REASONS FOR THE COUNCIL'S OBJECTION TO RESUMPTION OF  
SALES AT PRESENT: THESE WERE, BRIEFLY; THE PRECARIOUS  
SITUATION OF THE MARKET, KEPT IN BALANCE BY EXPORT  
CONTROLS AFTER PROLONGED SUPPORT BY THE BUFFER STOCK;  
THE UNCERTAINTIES ARISING FROM THE INTERNATIONAL MONETARY  
DISARRAY, DE-STOCKING BY CONSUMERS OF TIN AND THE RE-  
LUCTANCE OF THE TRADE TO HOLD TIN DUE TO THE HIGH COST  
OF FINANCING; THE EXISTENCE OF A SURPLUS OF PRODUCTION  
OVER CONSUMPTION IN 1972 AND FOR THE 12 MONTHS TO  
JUNE 1973; THE ALREADY LARGE TIN HOLDING OF THE  
BUFFER STOCK (12,479 TONS IN JANUARY 1973); THE RISK OF  
DAMAGE TO THE ECONOMIES OF DEVELOPING COUNTRIES PRO-  
DUCING TIN BY DISRUPTION OF THEIR TIN MINING INDUSTRY AND  
THEIR EXPORT EARNINGS FROM TIN, AND THE POSSIBILITY OF  
SEVERE EXPORT CONTROLS. THE MARKET HAS REACTED UN-  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 05202 01 OF 02 050216 Z

FAVOURABLY TO THE PROPOSED EARLY SELLING OF THE 18,500  
TONS NOW SURPLUS AND TO THE INTRODUCTION OF LEGISLATION  
TO REDUCE THE STOCKPILE OBJECTIVE TO 40,000 TONS.

IF, CONTRARY TO THE VIEW EXPRESSED BY THE COUNCIL,  
THE UNITED STATES PROCEEDS TO SELL TIN FROM THE STOCK-  
PILE, THE COUNCIL WISHES TO STRESS ITS VIEW THAT, FOR  
THE SAME REASONS AS ARE STATED IN THE PRECEDING PARA-

GRAPH, SALES IN THE PRESENT CIRCUMSTANCES SHOULD BE MINIMAL.

THE COUNCIL HAS NOTED THE UNDERSTANDING REACHED THAT ( A ) THE BUFFER STOCK MANAGER WILL BE FREE TO EXCHANGE VIEWS ON THE TIN MARKET WITH GSA AT ANY TIME, AND ( B ) THE BUFFER STOCK MANAGER WILL BE FREE TO BID FOR THE GSA TIN EITHER DIRECTLY OR THROUGH AN AGENT. THE COUNCIL HAS ALSO NOTED THE ASSURANCE GIVEN BY THE UNITED STATES THAT DISPOSALS WOULD BE MADE IN SUCH A MANNER AS TO AVOID DISRUPTION OF THE MARKET AND THAT SALES OF TIN WILL BE LIMITED TO SUCH AMOUNTS AS THE MARKET CAN ABSORB.

ON THE QUESTION OF QUANTITIES TO BE OFFERED, THE UNITED STATES INITIALLY SAID THAT 3,000 TONS WOULD BE OFFERED BEFORE 30 JUNE 1973 AND 15,000 TONS IN FISCAL YEAR 1973/1974; AFTER THESE FIGURES WERE NO LONGER PRESSED, THE UNITED STATES ADVANCED A FORMULA WHEREBY THE QUANTITY SHOULD BE THE PROJECTED INCREASE IN THE UNITED STATES CONSUMPTION PLUS X PERCENT OF UNITED STATES CONSUMPTION. THE WORKING PARTY HAS NOTED THE UNITED STATES' ESTIMATE OF AN INCREASE OF 5,000 TO 6,000 TONS CONSUMPTION IN CALENDAR YEAR 1973. UNITED STATES CONSUMPTION IN THE FIVE CALENDAR YEARS FROM 1968 TO 1972 INCLUSIVE WAS - 59,800, 58,700, 53,800, 52,800, 52,800 METRIC TONS. THE WORKING PARTY FEELS THAT IT IS DIFFICULT TO BASE A DISPOSAL PROGRAMME ON A PRELIMINARY ESTIMATE SO EARLY IN A CALENDAR YEAR OF A SIGNIFICANT DEPARTURE FROM THE TREND OVER A NUMBER OF YEARS. MOREOVER, AN INCREASE IN UNITED STATES CONSUMPTION MAY NOT NECESSARILY BE REFLECTED IN WORLD TOTALS. TO SUPPLEMENT THIS QUANTITY BY AN UNSTATED PERCENTAGE OF UNITED STATES CONSUMPTION LEAVES THIS PROPOSAL ENTIRELY NEBULOUS.

LIMITED OFFICIAL USE  
NMAFVVZCZ

MRN: 1973LONDON005202 SEGMENT NUMBER: 000002 ERROR READING TEXT  
INDEX  
FILE; TELEGRAM TEXT FOR THIS SEGMENT IS UNAVAILABLE

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973LONDON05202  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** CORE  
**Film Number:** n/a  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730536/aaaahvpg.tel  
**Line Count:** 152  
**Locator:** TEXT ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 STATE 79588  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02-Aug-2001 by shawdg>; APPROVED <11-Dec-2001 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> mcm 971205  
**Subject:** TIN: COMMUNICATION FROM ITC ON STOCKPILE DISPOSALS  
**TAGS:** EMIN, AORG  
**To:** BANGKOK  
CANBERRA  
EB  
JAKARTA  
KINSHASA  
KUALA LUMPUR  
LA PAZ

LAGOS

SECSTATE WASHDC

**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005